

From the San Antonio Business Journal

:<http://www.bizjournals.com/sanantonio/blog/2014/01/oci-solar-starts-work-on-third-phase.html>

Jan 15, 2014, 11:37am CST

## OCI Solar starts work on third phase of project for CPS Energy



[Sanford Nowlin](#)

Reporter- *San Antonio Business Journal*

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OCI Solar Power has broken ground on its third solar farm to supply power to **CPS Energy**, San Antonio's electrical utility.

The 39-megawatt Alamo 4 facility, 125 miles west of San Antonio in Brackettville, will provide power for about 6,000 homes once it's completed later this year, officials say. The farm will house more than 150,000 solar panels and cover 600 acres of privately-owned land.

"Alamo 4 is our first Texas project outside of the Greater San Antonio area," OCI Solar Power President and CEO [Tony Dorazio](#) said in a prepared statement. "Our fast movement around the state is reflective of the renewable energy landscape in the U.S. It's growing quickly."

OCI Solar partnered with Minneapolis-based **Mortenson Construction** to construct Alamo 4 as well as its other solar projects throughout Texas. The construction company this week said it will [establish a regional office](#) in San Antonio to oversee its growing energy business.

The [multiphase OCI-CPS project](#) will bring 400 MW of clean energy to Texas's power grid. In addition, it will create 800 permanent jobs and an annual economic impact of \$700 million for the San Antonio area, CPS officials say.

Sanford Nowlin covers energy/utilities, transportation/aviation and manufacturing.

# SAWS to clear grease, debris from downtown sewers

By Drew Joseph, San Antonio Express-News : January 29, 2014 : Updated: January 29, 2014 10:23pm

## More Information

### Sewer cleaning dates/locations

**Feb. 1 to 5:** Intersection of Commerce and Alamo streets

**Feb. 5 to 10:** Commerce, Alamo and Losoya streets. Losoya will be closed.

**Feb. 10 to 15:** Alamo Street north of Commerce

**Feb. 15 to 20:** Northbound Alamo Street between Market and Commerce. Alamo Street will be closed.

**Feb. 20 to 25:** Alamo Street between Market and Commerce

**March 1 to 5:** Commerce Street between St. Mary's and Soledad

SAN ANTONIO — The [San Antonio Water System](#) will be cleaning out downtown sewer lines of built-up grease and debris for five weeks, starting Saturday. Some traffic delays are expected.

While no downtown streets will be torn up, there will be some lane closures, according to SAWS. Downtown residents, workers and visitors should also expect some work-related noise and even some not-so-pleasant smells.

“We hope people will bear with us,” SAWS spokesman [Greg Flores](#) said.

The work is part of an agreement reached with the Environmental Protection Agency in June in which SAWS must spend an additional \$492 million over the next 10 to 12 years upgrading its sewer system. The agreement precluded a legal fight with the EPA and came after years of spills and leaks.

Most of the downtown work will occur near the intersection of Commerce and Alamo streets.

The project is divided into six phases, and street closures will only take place during some of them. Losoya Street will be closed for a few days during the second phase (Feb. 5 to 10), while northbound Alamo Street between Market and Commerce will be closed during the fourth phase (Feb. 15 to 20).

The effort should help prevent sewage spills in the future and is something SAWS would likely be doing even without the EPA agreement, Flores said.

SAWS crews will be working with Terra Contracting on the project.

*djoseph@express-news.net*

From the San Antonio Business Journal

:<http://www.bizjournals.com/sanantonio/blog/morning-edition/2014/02/saws-staff-urging-board-to-reject-private.html>

Feb 7, 2014, 6:45am CST

## SAWS staff urging board to reject private proposals for new water



[James Aldridge](#)

Web Editor- *San Antonio Business Journal*

[Email](#) | [Twitter](#) | [Google+](#) | [LinkedIn](#)

On Monday, **San Antonio Water System** CEO [Robert Puente](#) is expected to recommend that the board reject three private groundwater proposals to deliver 50,000 acre-feet of water per year to the city.

The private proposals would have required SAWS to pay out up to \$85 million over a 30-year period. The proposals also would have resulted in rate increases of approximately 9 percent to 12 percent in 2019, not including infrastructure integration costs.

SAWS issued a request for new water supplies with a goal of private developers to shoulder the cost of supplying new sources of water to San Antonio. SAWS received proposals from Abengoa Water LLC, and groups out of Dimmit County and Val Verde County.

"The highest ranked proposal was unwilling to assume the risk of water being cut off by the groundwater district that regulates the supply," Puente says about Abengoa Water. "We are also unwilling to ask our ratepayers to absorb the cost of a project with potentially no water."

SAWS staff is concerned that a groundwater conservation district could put the brakes on any potential water deal.

"Groundwater law in Texas leaves too much uncertainty and risk for the private and public sectors," Puente adds. "I hope that the proposers and cities across the state will join SAWS in calling for the legislature to change the law so Texans can build projects to meet growing future demand."

In related news, SAWS staff is expected to recommend its board pursues additional supplies of brackish groundwater via a partnership with CPS Energy. SAWS has a planned desalination plant in southern Bexar County. However, additional capacity is feasible.

"Brackish groundwater is plentiful and unused in our region, and available for centuries," Puente says. "The State of Texas views desalination as a solution to meet future water demands, and so do we."

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## 'Our ratepayers own that water': SAWS makes push to control billions of gallons of treated water



by Dillon Collier / KENS 5

[\*\*Bio\*\*](#) | [\*\*Email\*\*](#) | Follow: @dilloncollier

[\*\*kens5.com\*\*](http://kens5.com)

Posted on January 22, 2014 at 8:53 PM

Updated Thursday, Jan 23 at 1:42 PM

**SAN ANTONIO --** The San Antonio Water System has asked the state for permission to control billions of gallons of treated waste water it pumps into the San Antonio River every year.

Right now that water is considered surface water, making it the state's property even though SAWS pays to pump it and pays to clean it in treatment facilities once its been used.

The application for the Bed and Banks permit was submitted to the Texas Commission on Environmental Commission in late December.

A TCEQ spokeswoman said Wednesday it could take several months to review the application; water experts say the process could take several years.

"Hopefully at the end of the day, because they are the state's environmental agency, they will see the benefits of keeping this water in the river," said Greg Flores, Vice-President of Public Affairs for SAWS.

Flores said the permit being granted would mean more water flowing in the San Antonio River, a benefit for the ecosystem from Bexar County all the way to the Texas Gulf Coast.

**CLICK here to see the permit.**

TCEQ's review process will include examining who owns water rights along the river.

Bed and Banks permits to re-purpose waste water have been issued in the past by the TCEQ, but never on such a large scale, according to Flores.

Proponents of the plan include the San Antonio River Authority.

"Obviously we support it because it puts water in the river for the enjoyment of the folks along the river," said Suzanne Scott, General Manager of the San Antonio River Authority.

The Guadalupe-Blanco River Authority could emerge as a large opponent of the plan, since it owns water rights along the river.

A spokeswoman for GBRA did not return our calls for comment Wednesday.

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# U.S. House Panel's Hearing Centers on EPA and Texas

- by [Elena Schneider](#)
- Feb. 5, 2014

WASHINGTON – Texas and the [Environmental Protection Agency](#)'s contentious relationship was on full display Wednesday in a U.S. House committee hearing, as Republicans argued that the federal agency's overreach has reached new heights in the state. But Democrats countered that EPA regulations benefit all Texans.

“Unfortunately, too many within this administration believe that the only way to protect our environment is through federal government intervention and centralized ownership,” said U.S. Rep. [Lamar Smith](#), R-San Antonio, chairman of the House Science, Space and Technology Committee. “This is the wrong way.”

Witnesses largely supported loosening federal environmental regulations, from greenhouse gas emissions rules to contamination oversight. [Texas Commission on Environmental Quality](#) Chairman Bryan Shaw said “poor communication exacerbated challenges” with the EPA, while Texas Railroad Commissioner [David Porter](#) called it an “ineffective federal agency.”

Porter expressed his frustration about the EPA's controversial response to a 2010 groundwater complaint against Range Resources, a Fort Worth-based driller. “Nothing exemplifies the severe incompetence and blatant disregard for sound science as well as EPA's infamous mishandling of the Range Resources case in Parker County, Texas,” Porter said. The EPA issued — and eventually withdrew — an emergency order against Range, which charged the company with contaminating two wells. An [internal watchdog agency found](#) that the EPA was legally justified in its decisions on the case.

Democrats and the Environmental Defense Fund pushed back against criticism of the EPA.

“While few people get rich from clean air and water, everybody benefits,” said U.S. Rep. [Eddie Bernice Johnson](#), D-Dallas, the ranking member of the committee. “Likewise, nobody should have the right to take those away, regardless of the potential for financial profit.”

Elena Craft, a scientist with the Environmental Defense Fund, added, “If we don't take aggressive action now, we're jeopardizing the future of all Texans.”

The hearing comes on the heels of a deal reached last week between TCEQ and the EPA to allow the state to take over greenhouse gas permitting. TCEQ initially refused to enact the rules, the only state to do so, which forced the EPA to take over. As a result, a [backlog of requests quickly grew](#), drawing complaints from businesses and energy-related industries.

“The delay in the permitting process has put about 48,000 jobs at risk in our state,” U.S. Rep. [Marc Veasey](#), D-Fort Worth, said at Wednesday's hearing. “Don't you think you'd it would have been better to work with the EPA and save these jobs?”

Shaw answered that it was a “principled stand” against the EPA. “We felt that the immediate cost was less than what the long-term cost would have been,” he said.

Despite the new agreement, the greenhouse gas rules are far from settled. The U.S. Supreme Court will hear arguments this month in *Texas v. EPA* to determine the legality of an agency to regulate gas emissions from stationary sources under the Clean Air Act.

Among those in attendance at Wednesday's hearing was Steve Lipsky and *Gasland* director Josh Fox. Lipsky, who appeared in Fox's documentary, filed the complaint against Range Resources.

"I'm scared that if we keep doing this, we might go over a cliff," Lipsky said about loosening regulations. "In the end, the truth is on my side and the science is on my side, but there's a lot of money on their side."

U.S. Rep. [Steve Stockman](#), R-Friendswood, a committee member, attended the meeting but did not speak. He is among the challengers to U.S. Sen. [John Cornyn](#) in the Republican primary.



- [Business](#) >
- [Eagle Ford & Energy](#)

# Oil companies think they'll win renewable-fuels battle

By Jennifer A. Dlouhy, Washington Bureau : January 29, 2014

WASHINGTON — The oil industry is increasingly optimistic that it will prevail in a high-stakes battle for a piece of the United States' declining gasoline market.

The Obama administration already yielded to oil companies once, with the Environmental Protection Agency's November proposal to slash the amount of renewable fuels that refiners must use this year, putting the prospective quota 3 billion gallons below a benchmark established in federal law.

Now, as the agency begins sifting through thousands of critical public comments filed on its plan ahead of a midnight Tuesday deadline, the oil industry is hoping it can win again, by convincing the EPA to further lower the quotas for ethanol made from wood clippings, crop waste and other non-edible materials instead of corn. The product, called cellulosic ethanol, still is evolving and production has fallen short of earlier projections.

[Patrick Kelly](#), a senior policy adviser for the [American Petroleum Institute](#), said he expects the EPA to hold firm in reducing the total renewable fuels that would be required this year and said the agency has the latitude to sharply reduce the proposed cellulosic biofuel quotas, too.

That would deal a big blow to biofuel boosters and Corn Belt leaders, who have seen their political clout wither recently. Lawmakers from Iowa have tried leveraging their first-in-the-nation presidential caucuses — still two years away — to drum up support for the renewable fuel standard. But the EPA rebuffed Iowa Gov. [Terry Branstad](#)'s appeal for a public hearing on the issue in the heartland, following a December session just outside the nation's capital.

“We are cautiously optimistic that reason will retain its fighting chance and possible edge against the usual politics surrounding this issue,” said [Stephen Brown](#), vice president of federal governmental affairs for San Antonio-based refiner [Tesoro](#) Corp. “Let's face it: The best thing opponents of the proposed rule have going for them is the Iowa presidential caucus.”

The EPA expects to issue the final 2014 quotas this spring, probably making at least some revisions to its November proposal. That proposal would require refiners to incorporate 15.21 billion gallons of renewable fuels, including 17 million gallons of cellulosic ethanol.

In a joint statement filed with the EPA late Tuesday, the American Petroleum Institute and American Fuel and Petrochemical Manufacturers said the agency's cellulosic calculations have been built on producers' overly rosy predictions about the amount of the fuel they expect to make this year.

About 10 cellulosic facilities are slated to begin production this year, but the American Petroleum Institute says it only expects four to generate much fuel. And EPA's proposal doesn't reflect [KiOR](#) Inc.'s decision last month to halt production at the country's first commercial-scale cellulosic biofuel plant, with operations unlikely to resume before April.



The EPA is using “creative math in assuming facilities could come online and as soon as six months after starting production that they could reach full capacity.” API's Kelly said. “They need to consider the financial health of these facilities.”

When lawmakers expanded the federal renewable fuel standard in 2007, they expected cellulosic biofuels to materialize more quickly, swiftly displacing corn-based ethanol. At the time, lawmakers were so bullish they set the 2014 target for cellulosic fuels at 1.75 billion gallons.

Fewer than 1 million gallons were produced last year.

Tacitly acknowledging the shortfall, the EPA last week said it would reconsider last year's already-curtailed 6-million-gallon quota for cellulosic fuels, ahead of a June 30 deadline for refiners to comply with the mandate.

Biofuels boosters told the EPA that lower quotas — both for cellulosic and corn ethanol — would devastate rural economies and curb investment in new factories.

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## THE TRANSFORMATION OF THE ENERGY SECTOR

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### 1. EAGLE FORD SHALE:

#### Rising ozone levels point to tangled web of Texas permitting

Mike Lee, E&E reporter

*Published: Wednesday, January 15, 2014*

KARNES CITY, Texas -- For four months, Jeanne Shepherd took notes daily on the sounds and smells coming from a natural gas compressor station near her home here.

The plant, the Patton Trust South Production facility, gathers and processes natural gas from wells drilled in the Eagle Ford Shale field. Shepherd said it made noises like howitzer fire when its flares lit and it gave off a low-level vibration that kept her from sleeping. It left soot on her car and the side of her mobile home. Odors, like the smell of burning tires or a hair permanent, wafted through the area.

The noise has decreased some since state inspectors visited the site in 2012.

"Now it sounds like very distant artillery," she said in an interview. She continues to document noises and odors from other drilling sites around her 16-acre property almost daily.

The real bombshell may land in San Antonio, 50 miles to the north. A 10-county area around the city -- including Karnes County, home of Karnes City -- is all but certain to be in violation of U.S. EPA's ground-level ozone standards for the third year in a row, once the numbers for 2013 are finalized. Local officials are already planning ways to cope with the problem by reducing pollution from cars and industrial sources.

A crucial part of the region's ozone control strategy is totaling up the emissions from the Eagle Ford Shale, a 20,000-square-mile oil field that runs in an arc south of San Antonio. The so-called emissions inventory is being finalized by the Texas Commission on Environmental Quality and the Alamo Area Council of Governments, which coordinates the pollution plan for the San Antonio metropolitan area. The numbers will be used to build a photochemical model, which will shape the programs used to control ozone.

Shepherd's experience outside of Karnes City, along with state records and interviews, shows how hard it'll be to get an accurate read.

When inspectors from the TCEQ visited the Patton Trust site in October 2012, they found that the plant was violating its state emissions control permit. The then-owner, Plains Exploration & Production Co., was given permission to install 18 tanks. The plant had 24. Its permit specified one flare to burn off waste gases; the plant had two.

Since 2010, the TCEQ has found at least 12 other cases where operators had more or different equipment on their sites than their permits specified, according to documents obtained under a state freedom of information request. In most of those cases, TCEQ sent the operators a written notice of violation but didn't impose a monetary fine. In other cases, state inspectors found emissions from open tanks, unlit flares and other sources.

And TCEQ may not have an accurate count of the number of sites that produce air emissions. The state has records of 2,568 sites scattered across 24 counties that have TCEQ air emissions permits. But, a spokesman wrote to *EnergyWire*, "Many facilities in these counties may qualify for a permit by rule (PBR) that does not require registration or pre-construction approval."

TCEQ said it inspects sites regularly, based on their size and type. It said, though, that it doesn't check to make sure companies are using the equipment for which they've been permitted -- that's the operator's responsibility, the spokesman wrote in response to emailed questions.

Those gaps in the system, along with Texas' lax enforcement history, could throw off the inventory of Eagle Ford Shale emissions, said Elena Craft, a researcher at the Environmental Defense Fund in Austin who has studied San Antonio's ozone problem.

"At best, you could say that the emissions inventory would be an underestimate," she said in an interview.

#### Voluntary steps amid staffing shortfall

Freeport-McMoRan Oil & Gas, which acquired Plains in 2013, changed the design of the Patton Trust site after it was already in operation, without immediately telling the TCEQ, the company said in a written statement. The extra equipment on the site

didn't increase emissions, since the amount of gas processed at the site didn't change. The company uses vapor-recovery equipment on the storage tanks, which captures 98 to 100 percent of the tank's emissions, and it inspects its production equipment once a week with an infrared camera, which detects emissions that are invisible in normal light.

"Freeport-McMoRan Oil & Gas listens to the needs of our neighbors and takes all reasonable and feasible measures to address those needs," the statement said.

The South Texas Energy and Economic Roundtable, a trade group, said other oil and gas companies are also taking voluntary steps to reduce air pollution.

"Safety is top priority on our sites and in the communities where we work and live," Omar Garcia, the group's CEO, said in an emailed statement.

TCEQ says it's used aerial surveys with infrared cameras to spot emissions problems in the Eagle Ford Shale and has moved staff to the area from other regions.

At the same time, staffing in TCEQ's Office of Compliance and Enforcement has fallen about 13 percent in the last five years, from 1,150 in the 2010 fiscal year to 1,002 in the current fiscal year, even though most of the agency's enforcement budget comes from fees on the oil and gas industry, the commission said. During the same time frame, Texas oil production has grown 95 percent -- from an average of 958,000 barrels a day in 2009 to 1.9 million barrels a day during the first 10 months of 2013.

### Linking drilling and ozone

Most of the debate about pollution from oil and gas development has centered on its contribution to global warming. It's also having an impact on ozone levels, though there's strenuous debate about the size.

Ozone is formed when two types of chemicals -- volatile organic compounds and nitrogen oxides -- combine in the atmosphere during sunny weather. Both types of compounds can come from car and truck exhaust, industrial sources, and oil and gas development.

Studies have linked oil and gas development to ozone levels in Pavillion, Wyo., and Weld County, Colo. Those are largely rural areas that have few other obvious sources of pollutants.

Local officials are still debating how much the development of the massive Barnett Shale gas field contributed to ozone levels in Dallas and Fort Worth, which already had an air pollution problem before the onset of drilling.

Ozone in San Antonio has averaged 76 to 81 parts per billion, according to the Alamo Area Council of Governments. The EPA standard is 75 parts per billion. Anything above those levels is high enough to cause lung irritation and other health problems, particularly in children, according to the EPA website.

Based on the last three years' ozone levels, EPA could label San Antonio as a nonattainment zone for ozone pollution, although that's unlikely because regional air planners have already enrolled in a voluntary program to reduce levels.

EPA is likely to lower the standard sometime in 2014, at which time San Antonio likely would fall into nonattainment, which would require local officials and the TCEQ to submit a formal ozone reduction plan to EPA.

Some of the highest ozone levels have happened since the onset of the Eagle Ford Shale drilling boom, but local officials are circumspect about the link between drilling and ozone.

Peter Bella, the council of governments' natural resources director, said at a public forum in July that drilling contributed between 2 and 7 parts per billion to the region's total ozone level.

In an interview in December, Bella stressed that those numbers were preliminary and said he wants to wait for the data from the oil emissions inventory before making a determination. The regional planning group is conducting the inventory under a contract with TCEQ and is relying on TCEQ data for some of its calculations.

To be sure, there are several factors that contribute to San Antonio's ozone level. The area's population increased from 1.8 million in 2000 to 2.2 million in 2010, bringing with it more traffic and car exhaust. Also, San Antonio's municipally owned electric utility company gets 38 percent of its power from coal-fired plants.

At the same time, Bella said he wants to get the best data possible about oil and gas emissions.

If the region falls into nonattainment, Bella and other local officials may have to impose mandatory pollution control programs, which could make it more expensive to drive a car or operate a business in San Antonio. Bella said, though, he prefers softer measures, like retrofitting houses to make them more energy-efficient. A state law passed in 2013 allows the TCEQ to spend some of Texas' pollution-reduction budget on programs to reduce emissions from oil and gas drilling.

"Wherever the chips fall, we've got to have a discussion about it," he said.

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## U.S. House Panel's Hearing Centers on EPA and Texas

- by [Elena Schneider](#)
- Feb. 5, 2014



[Enlarge](#) graphic by: *Todd Wiseman*

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